

1 GREGORY J. CHARLES, Esq. #208583
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Counsel for Gary Thornhill
5

6 UNITED STATES BANKRUPTCY COURT
7 NORTHERN DISTRICT OF CALIFORNIA
8 SAN FRANCISCO DIVISION

9 IN RE: SANDHILL CAPTIAL PARTNERS III,
10 LLC, a California Limited Liability
Company,

11 DEBTOR.

12 JANINA ELDER, Trustee of the
13 Bankruptcy Estate of Sand Hill Capital
14 Partners III, LLC, a California Limited
15 Liability Company, Debtor,

16 PLAINTIFF,

17 V.

18 GARY L. THORNHILL

19 DEFENDANT.

Case No. 08-30989

Chapter 7

Adversary No. 09-3109 TC

EX PARTE APPLICATION TO FILE PORTION
OF DECLARATION UNDER SEAL

NO HEARING

JUDGE CARLSON

20 Pursuant to Civil Local Rule 79-5 made applicable by the Bankruptcy Local
21 Rules, Gary Thornhill seeks an order to file a portion of a declaration under seal.
22 Specifically, personal financial information will be redacted from the publicly filed
23 version of the declaration.

24 Dated: March 19 2012

25 Law Offices of Gregory Charles

26 By: s/Gregory Charles
27 Gregory J. Charles

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Case No. 08-30989

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MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF EX PARTE
APPLICATION TO FILE PORTION OF
DECLARATION UNDER SEAL

NO HEARING

JUDGE CARLSON

20 On February 24, 2012, this court entered an order regarding production of
21 documents and requiring the filing of a declaration by Gary Thornhill. ¶4 of the Order
22 states:

23 (4) On or before March 26, 2012, Defendant shall file and serve a
24 declaration, sworn under penalty of perjury, specifying for each sub-
paragraph contained within paragraph (3) of this order that: (a)
Defendant has produced and filed all documents specified in the sub-
paragraph that are in his possession, custody, or control; or (b) Defendant
25 does not have any of the documents specified in the sub-paragraph in his
possession, custody, or control.
26

27 \\\

1 The order also requires production of items listed on Mr. Thornhill's personal financial
2 statement.

3 In response to the order, Mr. Thornhill prepared a detailed declaration. The
4 declaration refers to many personal financial matters and Exhibit 2 includes financial
5 information regarding third parties.

6 Given these considerations, Mr. Thornhill seeks to publicly file a redacted
7 declaration (Charles Dec., Ex. 1). Further, the court will order the unredacted
8 document to be filed under seal. Obviously, Mr. Thornhill will provide the unredacted
9 document to counsel for the judgment creditor.

10 Dated: March 19 2012

Law Offices of Gregory Charles

11
12 By: s/Gregory Charles
Gregory J. Charles

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7 NORTHERN DISTRICT OF CALIFORNIA
8 SAN FRANCISCO DIVISION

9 IN RE: SANDHILL CAPTIAL PARTNERS III,
10 LLC, a California Limited Liability
Company,

11 DEBTOR.

12 JANINA ELDER, Trustee of the
13 Bankruptcy Estate of Sand Hill Capital
14 Partners III, LLC, a California Limited
15 Liability Company, Debtor,

16 PLAINTIFF,

17 v.

18 GARY L. THORNHILL

19 DEFENDANT.

Case No. 08-30989

Chapter 7

Adversary No. 09-3109 TC

DECLARATION OF GREGORY CHARLES IN
SUPPORT OF EX PARTE APPLICATION TO
FILE PORTION OF DECLARATION UNDER
SEAL

NO HEARING

JUDGE CARLSON

20 I, Gregory J. Charles, declare and say:

21 1. I am an attorney at law duly licensed to practice before the courts of the
22 State of California. This declaration is made on my personal knowledge. If called as a
23 witness, I would and could competently testify as follows.

24 2. On February 24, 2012, this court entered an order regarding production of
25 documents and requiring the filing of a declaration by Gary Thornhill. ¶4 of the Order
26 states:

27 (4) On or before March 26, 2012, Defendant shall file and serve a
28 declaration, sworn under penalty of perjury, specifying for each sub-

1 paragraph contained within paragraph (3) of this order that: (a)
2 Defendant has produced and filed all documents specified in the sub-
3 paragraph that are in his possession, custody, or control; or (b) Defendant
4 does not have any of the documents specified in the sub-paragraph in his
5 possession, custody, or control.

6

7 3. In response to the order, Mr. Thornhill prepared a detailed declaration.
8 The declaration refers to many personal financial matters and Exhibit 2 includes
9 financial information regarding third parties.

10

11 4. I attached hereto as Exhibit 1 the proposed redacted declaration.
12 On March 19, 2012 in Santa Clara, CA, I declare under penalty of perjury that
13 the foregoing is true and correct.

14

15 s/Gregory Charles
16 _____
17 Gregory J. Charles

Exhibit 1

1 GREGORY J. CHARLES, Esq. #208583
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7
8
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

9 IN RE: SANDHILL CAPTIAL PARTNERS III,
10 LLC, a California Limited Liability
Company,

11 DEBTOR.

12
13 JANINA ELDER, Trustee of the
14 Bankruptcy Estate of Sand Hill Capital
Partners III, LLC, a California Limited
Liability Company, Debtor,

15 PLAINTIFF,

16 V.

17 GARY L. THORNHILL

18 DEFENDANT.

Case No. 08-30989

Chapter 7

Adversary No. 09-3109 TC

12 DECLARATION OF GARY THORNHILL IN
13 RESPONSE TO ORDER DATED FEBRUARY 24,
14 2012

15 NO HEARING

16 JUDGE CARLSON

20 I, Gary Thornhill, declare and say:

21 1. This declaration is made on my personal knowledge. If called as a
22 witness, I would and could competently testify as follows.

23 2. As a result of the October 15, 2011 order requiring me to provide (a) copies
24 of personal tax returns for 2000 through 2009; (b) copies of all documents regarding the
25 Gary L. Thornhill Living Trust and the GLT Irrevocable Trust; and (c) copies of all
26 documents regarding my pension and profit sharing plan, I produced Bates Nos. 1-
27 1370. Attached hereto as Exhibit 1 is my declaration detailing the documents that
28 were produced.

1 3. Subsequently, I provided corporate financial statement (Bates No. 1372-
2 1379).

3 4. Prior to the judgment debtor examination, I voluntarily prepared a
4 consolidated financial statement listing the assets, liabilities, and income of the [REDACTED]
5 [REDACTED] Trust as of September 23,
6 2010. A copy of this document and transmittal letter are attached as Exhibit 2.

7 5. I believe that the trustee refers to this document as my "personal
8 financial statement." The reference is not completely accurate.

9 6. I am not the trustee of the [REDACTED] Trust, and it is not a
10 party to this litigation. The trustee has not made any effort to gain information from
11 the Mary L. Thornhill Living Trust.

12 7. I have personally reviewed the Court's Order of February 24, 2012
13 ("Order").

14 8. In two document productions, I have produced all documents in my
15 possession, custody, or control listed in the Order.

16 9. In addition to the production of documents dated January 31, 2012 (Bates
17 Nos. 7994-8408), I include with this declaration Bates Nos. 8409-8972.

18 10. For the convenience of the parties, I summarize the materials using the
19 same lettering scheme as the Order.

20 A. "All bank documents, including promissory notes, security agreements, and
21 UCC-1 financing statements, related to pledges made on the Valley
22 Community Bank loans" I produced these documents on January 31, 2012 at
23 Bates 7994-8055.

24 B. "The note receivable listed on Gary Thornhill's financial statement to
25 Thornhill Financial Corporation (for \$2.5 million) and any assignment
26 thereof." I produced these documents on January 31, 2012 at Bates 7994-
27 8055. For clarity, I note that [REDACTED] is the
28 borrower, and the guarantor has been paying loan. The loan balance is

- 1 [REDACTED] (Bates 8039).
- 2 C. "The most recent statements showing the value of each of the six life
3 insurance policies listed on the financial statement." I produced these
4 documents on January 31, 2012 at Bates Nos. 8128-8138. I also note that
5 some of the policies are [REDACTED] Additional
6 information regarding this fact is located at Bates Nos. 8409-8410.
- 7 D. "Documents showing when each of the six life insurance policies listed on
8 the financial statement became part of the GLT Irrevocable Trust." I
9 produced these documents on January 31, 2012 at Bates Nos. 8128-8138 and
10 8144. Additional information regarding this fact is located at Bates Nos.
11 8409-8410.
- 12 E. "The most recently updated financial statement for Gary Thornhill" I [REDACTED]
13 [REDACTED]
14 [REDACTED]
- 15 F. "2009 Federal Tax Return for Gary Thornhill" My 2009 tax return can be
16 found at Bates Nos. 8411-8552.
- 17 G. "The share register for Santana, Zeta, Valencia, Gevry, Buccaneer, and Bear
18 Joint Partners." I have produced the subscription agreement for Buccaneer
19 listing its ownership (Bates Nos. 8553-8563). The Santana Operating
20 agreement and its amendment (Bates Nos. 8564-8586, 8587-8608) list the
21 members of that company. The Zeta Operating agreement and its
22 amendment (Bates Nos. 8609-8653) list the members of that company. The
23 Valencia Operating agreement (Bates Nos. 8654-8676) lists the members of
24 that company. The Gevrey Operating agreement and its amendment (Bates
25 Nos. 8677-8685) list the members of that company. The operating agreement
26 between Oakville and Gevrey and associated documents can be found at
27 Bates Nos. 8695-8704. On January 31, 2012, I produced the subscription
28 agreement for Bear Drilling Partners (Bates Nos. 8342-8352).

- 1 H. "Corporate/Partnership Documents (as defined in paragraph (5) of this
2 order) for Thornhill Assurance Services" These documents can be found at
3 Bates Nos. 8706-8739.
- 4 I. "Corporate/Partnership Documents (as defined in paragraph (5) of this
5 order) for Medalist & Company Corporation" These documents are included
6 at Bates Nos. 8917-893
- 7 J. "Corporate/Partnership Documents (as defined in paragraph (5) of this
8 order) for Medalist Holding Corporation" These documents are included at
9 Bates Nos. 8931-8943.
- 10 K. "Corporate/Partnership Documents (as defined in paragraph (5) of this
11 order) for Medalist Assurance Service, Inc." These documents can be found
12 at Bates Nos. 8740-8760.
- 13 L. "Corporate/Partnership Documents (as defined in paragraph (5) of this
14 order) for Medalist Marketing Group, LLC" These documents are included
15 at Bates Nos. 8944-8972.
- 16 M. "The most recently filed Federal Tax Return for Medalist Holding
17 Corporation" These documents can be found at Bates Nos. 8761-8669.
- 18 N. Corporate/Partnership Documents (as defined in paragraph (5) of this order)
19 for Sandhill Thorben, LLC" These documents can be found at Bates Nos.
20 8770-8849.
- 21 O. "Corporate/Partnership Documents (as defined in paragraph (5) of this
22 order) for Sandhill Thorben II, LLC" These documents can be found at Bates
23 Nos. 8850-8904. I also note that this is a single member entity, so there have
24 not been any federal tax filings.
- 25 P. The September 2010 account statement for the brokerage firm that holds
26 the shares of stocks specified on page 3 of Defendant's Statement of Assets
27 and Liabilities as of September 23, 2010. On January 31, 2012, I produced
28 [REDACTED] statements dated 12/31/11 for Account Nos. [REDACTED]

1 [REDACTED] (Bates Nos. 8316-8340) These
2 documents accurately reflect ownership of those accounts as of September
3 30, 2010. The specific statement listed in the Order is included at Bates Nos.
4 8905-8916.

5 On March 19 2012 in Santa Clara, CA, I declare under penalty of perjury that
6 the foregoing is true and correct.

7 _____ s/Gary Thornhill y Thornhill

8 Gary Thornhill

Exhibit 1

GREGORY CHARLES, Esq., BAR No. 208583
CAMPEAU GOODSELL SMITH
440 North 1st Street, Ste. 100
San Jose, California 95112
Telephone: 408.295.9555
Facsimile: 408.852.0233
gcharles@campeaulaw.com

Counsel for Gary Thornhill

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE: SANDHILL CAPITAL PARTNERS III,
LLC, a California Limited Liability
Company,

DEBTOR.

Case No. 08-30989

Chapter 7

Adversary No. 09-03109

DECLARATION OF GARY THORNHILL

JANINA ELDER, Trustee of the
Bankruptcy Estate of Sandhill Capital
Partners III, LLC, a California Limited
Liability Company, Debtor,

PLAINTIFF.

v_a

GARY THORNHILL, an individual

DEFENDANT

I, Gary L. Thornhill, declare and say:

1. This declaration is made on my personal knowledge. If called as a witness, I would and could competently testify as follows.

2. My counsel directed me to conduct a thorough search for the following documents:

- a. My personal tax returns for 2000 through 2009;
- b. Documents regarding the Gary L. Thornhill Living Trust, and the GLT

Declaration

Irrevocable Trust; and

c. Documents regarding my pension and profit-sharing plan(s).

3 3. With the assistance of an employee, I searched all of the records in my
4 possession, custody, or control. The search included documents held by individuals who
5 provide professional services to me.

6 4. Except for my 2009 tax return that has not been completed, I provided all
7 of the documents identified above in my possession, custody, or control to my counsel.

8 5. I am informed that his offices numbered the documents sequentially.

9 6. I am informed that T0001-T1226 satisfy items a & b, except the 2009
10 return. I am also informed that T1227-1370 satisfy item c.

11 7. I have not yet filed a 2009 tax return as I owe no taxes for that year
12 I declare under penalty of perjury under the laws of the United States of
13 America that the foregoing is true and correct.

14 Executed this 3 day of January, 2011 at San Jose, California.

Gary L. Thornhill

Declaration

Exhibit 2

CAMPEAU GOODSELL SMITH

A LAW CORPORATION

440 NORTH FIRST STREET, STE. 100

SAN JOSE, CALIFORNIA 95112

TELEPHONE: (408) 295-9555

FACSIMILE: (408) 852-0233

Gregory Charles
gcharles@campeaulaw.com

September 27, 2010

Jeremy Burns
Carr McClellan Ingersoll
Thompson & Horn
Professional Law Corporation
216 Park Road
Burlingame, California 94010

Via electronic mail
jburns@carr-mcclellan.com

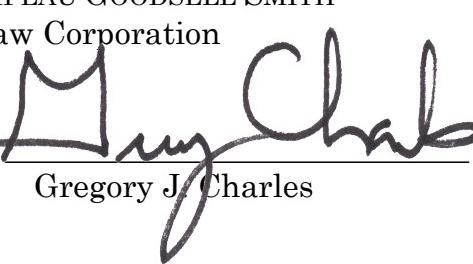
Re: *Elder v. Thornhill*
Adv. Pro. 09-03109

Dear Mr. Burns:

I enclose for your convenience the financial statement that I mentioned in court last Friday. The statement is current and complete.

Very truly yours,

CAMPEAU GOODSELL SMITH
A Law Corporation

By. 
Gregory J. Charles

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12 DEBTOR.

Case No. 08-30989

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Adversary No. 09-03109

13
14 JANINA ELDER, Trustee of the
15 Bankruptcy Estate of Sandhill Captial
Partners III, LLC, a California Limited
Liability Company, Debtor,

16 PLAINTIFF,

17 V.

18 GARY THORNHILL, an individual

19 DEFENDANT.

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28
CERTIFICATE OF SERVICE

I am over eighteen years of age, not a party in this action, and employed in
Santa Clara County, California I am readily familiar with the processing of pleadings
for delivery via electronic mail.

I caused to be served the following on the date listed below:

1. EX PARTE APPLICATION TO FILE PORTION OF
DECLARATION UNDER SEAL, MEMORANDUM OF POINTS
AND AUTHORITIES IN SUPPORT OF EX PARTE
APPLICATION TO FILE PORTION OF DECLARATION
UNDER SEAL, and DECLARATION OF GREGORY CHARLES
IN SUPPORT OF EX PARTE APPLICATION TO FILE
PORTION OF DECLARATION UNDER SEAL

- 1 **If MAILED VIA U.S. MAIL**, said copies were placed in envelopes which
2 were then sealed and, with postage fully prepaid thereon, on this date
3 placed for collection and mailing at my place of business following ordinary
4 business practices. Said envelopes will be deposited with the U.S. Postal
5 Service at San Jose, California on this date in the ordinary course of
6 business; and there is delivery service by U.S. Postal Service at the place so
7 addressed.
- 8 **If VIA E-MAIL OR ELECTRONIC TRANSMISSION:** I caused the document[s] to be sent to the person[s] at the e-mail address[es] listed
9 below through the electronic filing system of the Northern District of
10 California.
- 11 **If VIA HAND DELIVERY:** I caused the document[s] to be delivered by
12 hand to the office of the addressee.

13 Michael J. McQuaid, Esq.
14 W. George Wailes, Esq.
15 CARR, MCCLELLAN, INGERSOLL,
16 THOMPSON & HORN
17 Professional Law Corporation
18 216 Park Road
19 P.O. Box 513
20 Burlingame, CA 94011-0513

21 I declare that I am a member of the Bar of this Court and that this declaration
22 was executed on March 19, 2012 in San Jose, California.

23 s/ Gregory Charles